

Co-operatives Act 1996

Body corporate members

Introduction

Under the Co-operatives Act, co-operatives are now permitted to have body corporate members (companies, associations and other co-operatives). A body corporate is not (merely because it is a body corporate) disqualified from being a member of a co-operative unless the co-operative's rules provide that bodies corporate are disqualified from being a member. (section 64)

Applying for membership

The application for membership for a body corporate is similar to the application for a natural person. Instead of an individual signing the form, the application for a body corporate should provide for the affixing of its common seal, and for the seal to be attested by the signatures of those persons authorised in the rules or articles of association of the body corporate. A sample application form can be obtained from the Federation.

Representatives of bodies corporate (s.70)

If a body corporate is a member of a co-operative, it may by instrument served on the co-operative appoint a person to represent it in respect of its membership.

A body corporate must not appoint a person to represent the body corporate as a member of the co-operative, if he or she is currently a member of the co-operative or a representative of another body corporate member. Penalty: 10 penalty units.

The power to appoint a representative is subject to any restriction imposed by the rules of the co-operative as to the entitlement of a person to represent a body corporate.

A person is not qualified to be appointed the representative of a company that is not a listed corporation (within the meaning of the Corporations Law) unless the person is an officer, member or employee of the company.

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The Federation strongly recommends that each co-operative obtains its own professional advice to ensure that the specific circumstance of the co-operative are taken into account.

INFORMATION





Co-operative Federation of Victoria Ltd

Rights of representatives to vote (s.187)

A person appointed as provided by the Act to represent a member of a co-operative, association or federation-

- (a) is entitled to receive notice of all meetings in the same manner as the member represented; and
- (b) is entitled to exercise the same rights to vote as the member represented; and
- (c) is eligible to be elected to the board of directors if the member represented holds the qualifications required for holding office as a director (other than relating to age).

Restrictions on voting by representatives of bodies corporate (s.183)

A person is not entitled to exercise, as the representative of a body corporate, the power of a body corporate member of the co-operative to a vote if the person has that power as the representative of another body corporate member of the co-operative.

Notification of shareholders and shareholdings (s.71)

On the request of the board of directors of the co-operative, a body corporate which is a member of the co-operative must make available for inspection by the board of directors of the co-operative-

- (a) a list of the names of all the shareholders of that body corporate and the number of shares held by each shareholder; or
- (b) in the case of a body corporate without share capital, a list of the members of the body corporate.

Unlisted companies to provide list of shareholders etc. (s.286)

(applies to trading co-operatives only)

This section applies to a company (within the meaning of Corporations Law) that is not a listed corporation (within the meaning of that Law).

A company to which this section applies that is a member of a co-operative must furnish to the co-operative a list showing-

- (a) the name of each member of the company as at the end of the financial year of the company and the number of shares in the company held by each member; and
- (b) the name of each person who has a relevant interest (within the meaning of the Corporations Law) in any share of the company together with details of that interest; and
- (c) the name of each person who is an associate (within the meaning of the Corporations Law) of the company.

The list must be furnished within 28 days after the end of each financial year of the company and within 28 days after a request for the list has been made in writing to the company by the Registrar.

Registrar may grant exemption from division (s.289)

The Registrar may grant exemptions from the operation of Part 11 Division 1 (including section 289) in a particular case or class of cases. An exemption must be in writing and may be unconditional or subject to conditions. ☐